

MOTION BY SUPERVISOR HILDA L. SOLIS AND
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November 3, 2015

Every summer, the non-profit Los Angeles County Fair Association produces a world-class event for the public at the County-owned fairgrounds, known as Fairplex, in Pomona.

In 1948, and again in 1988, two different long-term ground leases and operating agreements were established between the County and the Fair Association. In both agreements, these leases have served to make the fairgrounds financially viable, while also growing the Fair's mission of educating the public and improving the community. Over the decades, that mission has continued: the association has greatly expanded the fair and its educational components, as well as created or expanded revenue-generating facilities and programs on the Fairplex property.

Besides the annual County Fair, the Association is also responsible for booking other revenue-generating events on the property it leases from the County, including a recent electronic music festival that drew scrutiny after the reported overdose death of two teenagers. The County has initiated a full review of this matter and has created a task force to help protect public health and ensure public safety during such large

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events, should any be held on County property in the future.

Separately, since September 2014, the County has been reviewing the longstanding lease agreement between the County and the Fair Association as part of a possible amendment that is intended to further enhance the revenue generation and public benefits resulting from the association's operations of the fairgrounds.

With lease negotiations underway, and the County's review of events held at Fairplex ongoing, it is an appropriate moment for the County to fully review the relationship with the Fair Association, including the structure of the current ground lease, and the operations and events held on the fairground property.

WE, THEREFORE, MOVE that the Board of Supervisors direct the Chief Executive Officer to continue negotiations into a possible amendment to the ground lease and operating agreement between the County and the Fair Association, with the directive that any amendments should be structured to fully maximize revenue payments made by the association to the County, and ensure the continued community benefits and public good coming from the operations of the fairgrounds;

WE, FURTHER MOVE that the Board of Supervisors direct the Auditor-Controller to conduct an audit of the Fair Association's financial operations, including all funding sources and revenue streams, along with all funds allocated to the County, governance structure, compliance with appropriate responsibilities as a non-profit organization and all other financial matters that impact the County, and report back to the Board within 120 days.

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